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## MONDAY, JULY 19, 2010

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Brenneman, Commissioners Lauman and Dupont, and Clerk Robinson were present.

**8:00 a.m. Commissioner Brenneman: Travel to Arlee**  
**10:00 a.m. Commissioner Brenneman: RC&D meeting in Arlee**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 20, 2010.

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## TUESDAY, JULY 20, 2010

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Brenneman, Commissioners Lauman and Dupont, and Clerk Robinson were present.

**Chairman Brenneman opened public comment on matters within the Commissions' Jurisdiction, no one present to speak, Chairman Brenneman closed the public comment period.**

### MONTHLY MEETING W/ JIM ATKINSON, AOA

[9:45:58 AM](#)

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, AOA Director Jim Atkinson, Clerk Kile

Atkinson reported public transportation needs continue to increase with the volume of riders last year (2009) totaling 64,594 and (2010) climbing to 74,037. He then reviewed the totals for independent living services to seniors with I&A and SHIP decreasing and outreach, homemaker and respite services increasing. The statistics for home delivered meals and congregate meals were reviewed. Atkinson reported the Sweet Expectations shop in Gateway West Mall was recently closed. Discussion was then held relative to potential options for relocation of AOA.

### QUARTERLY MEETING W/ MIKE MEEHAN, SHERIFF

[10:07:55 AM](#)

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Sheriff Mike Meehan, Clerk Kile

Sheriff Meehan met with the Commission and reported on personnel changes within the department with the new 911 Dispatch Center. He explained the FY10 budget came in at 98.6 percent after absorbing lawsuit costs of \$367,000.00. Discussion was held relative to converting records to New World along with statistics for jail population which is averaging around 78-80.

### OPEN BIDS: RSID #149 (SWAN HORSESHOE)

[10:34:06 AM](#)

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy County Attorney Tara Fugina, Frank Stock, Lulu Stock, Clerk Kile

Frank Stock, Agent for Bitterroot Valley Bank submitted a bid for the purchase of bonds for RSID #149 at 5.2% per annum at par.

TUESDAY, JULY 20, 2010  
(Continued)

**CONSIDERATION OF ADOPTION OF RESOLUTION: AWARD SALE OF BONDS/ RSID #149 (SWAN HORSESHOE)**

10:36:06 AM

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy County Attorney Tara Fugina, Frank Stock, Lulu Stock, Clerk Kile

Commissioner Dupont made a **motion** to award the sale of bonds to Bitterroot Valley Bank of Lolo Montana and adopt Resolution 2248C. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Flathead County, Montana (the "County"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO \$368,000.00 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 149); AWARDING THE SALE THEREOF AND APPROVING CERTAIN MATTERS WITH RESPECT THERETO" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of Commissioners of the County at a regular meeting on July 20, 2010, and that the meeting was duly held by the Board of Commissioners and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: **Chairman Brenneman & Commissioner Dupont**; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: **Commissioner Lauman**.

WITNESS my hand officially this 20<sup>th</sup> day of July, 2010.

Paula Robinson, Clerk



By/s/ Diana Kile  
Deputy

RESOLUTION NO. 2248 C

RESOLUTION RELATING TO \$368,000.00 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 149); AWARDING THE SALE THEREOF AND APPROVING CERTAIN MATTERS WITH RESPECT THERETO

BE IT RESOLVED by the Board of Commissioners (the "Board") of Flathead County, Montana (the "County"), as follows:

1. This Board on July 1, 2010, adopted Resolution No. 2248 B providing for the public sale of \$368,000.00 Rural Special Improvement District Bonds (Rural Special Improvement District No. 149) (the "Bonds") to finance the costs of certain local improvements to be undertaken in or for the benefit of Rural Special Improvement District No. 149. Notice of the sale has been duly published in accordance with Montana Code Annotated, Sections 7-12-2172, 7-7-4252 and 17-5-106. Pursuant to the notice of sale, one sealed bid for the purchase of the Bonds was received at or before the time specified for receipt of bids. The bid has been opened and publicly read and considered, and the purchase price, interest rates and true interest cost under the terms of each bid have been determined.

2. The bid of Bitterroot Valley Bank, of Lolo, Montana, (the "Purchaser"), attached as Exhibit A, to purchase the Bonds of the County, is hereby determined to comply with the notice of sale, and to be the lowest, most reasonable bid for the purchase of the Bonds. The bid of the Purchaser is hereby accepted by the Board and the sale of the Bonds is hereby awarded to the Purchaser. The bid security of the Purchaser shall be retained pending delivery of the payment for the Bonds and the bid security of all other bidders shall be promptly returned.

3. The Chair and the County Clerk and Recorder are hereby authorized and directed to execute on behalf of the County a contract for the sale of the Bonds with the Purchaser.

4. This Board shall prescribe the form and security for the Bonds in a subsequent resolution.

PASSED AND ADOPTED by the Board of County Commissioners of Flathead County, Montana, this 20<sup>th</sup> day of July, 2010.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/ Joseph D. Brenneman  
Joseph D. Brenneman, Chairman

By/s/ Absent  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/ James R. Dupont  
James R. Dupont, Member

By/s/ Diana Kile  
Diana Kile, Deputy

TUESDAY, JULY 20, 2010  
(Continued)

Exhibit "A"

Frank S. Stock  
PO Box 1001  
Polson, MT 59860  
May 25, 2010

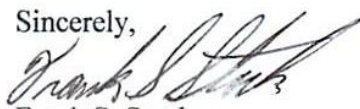
County Commissioners  
Flathead County  
Flathead County Court House  
800 South Main Street  
Kalispell, MT 59903

Dear Commissioners,

This letter is written to submit a bid for the bonds being issued in accordance with Resolution Number 2248B relating to \$368,000 Rural Special Improvement District Number 149. The Bitterroot Valley Bank is willing to purchase the bonds at a yield of 5.2% per annum at par. Enclosed is a bid check for 7,360.00 as required in Notice of Bond Sale.

If the bank is the successful bidder, settlement for the bonds should be worked out with Kate Templeman, Senior Vice President of Bitterroot Valley Bank, PO Box 9, Lolo, MT 59847-0009. Phone 406-273-2400. If the bank is not the successful bidder the bid check should be returned to the bank.

Sincerely,



Frank S. Stock  
Agent for Bitterroot Valley Bank

**DOCUMENT FOR SIGNATURE: MOU/ NATIONAL PARK SERVICE AND SHERIFF'S OFFICE**

[10:37:40 AM](#)

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Clerk Kile

Commissioner Dupont made a **motion** to authorize the chair to sign the mutual aid agreement. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

**CONSIDERATION OF ADOPTION OF RESOLUTION: FECC BUDGET ASSESSMENT \$1,279,280.00**

[10:39:53 AM](#)

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Clerk Kile

Pence noted action has been postponed to July 26<sup>th</sup> for the budget assessment for operations of the Flathead City/ County 911 Emergency Coordination Center.

**CONSIDERATION OF ADOPTION OF RESOLUTION: FLATHEAD COUNTY EMERGENCY MANAGEMENT BASIC PLAN**

[10:45:41 AM](#)

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy Director OES Cindy Mullaney, OES Planner Scott Miller, Clerk Kile

Cindy Mullaney explained the basic plan is required by state law and sets the stage for how operations will be conducted in Flathead County.

**TUESDAY, JULY 20, 2010  
(Continued)**

Commissioner Dupont made a **motion** to adopt Resolution 2264. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

RESOLUTION NO. 2264

**A RESOLUTION OF THE COUNTY OF FLATHEAD MONTANA, ADOPTING THE FLATHEAD COUNTY  
MONTANA COMPREHENSIVE EMERGENCY MANAGEMENT PLAN  
BASIC PLAN**

**WHEREAS**, the Office of Emergency Services for Flathead County, Montana has been updating and revising a number of their disaster and emergency management plans in recent years; and

**WHEREAS**, the Office of Emergency Services prepared a Basic Plan for the Comprehensive Emergency Management Plan, which plan includes the County of Flathead; and

**WHEREAS**, the Basic Plan, once adopted, will be supplemented by the addition of Appendices for specific risk plans; and

**WHEREAS**, the Commissioners have reviewed the Flathead County Comprehensive Emergency Management Plan – Basic Plan and determined that it should be formally adopted; and

**WHEREAS**, the County Commissioners have determined that it is in the public's interest to adopt the Flathead County Comprehensive Emergency Management Plan – Basic Plan

**NOW, THEREFORE, BE IT RESOLVED** by the County Commissioners of Flathead County, Montana, that the Flathead County Montana Comprehensive Emergency Management Plan – Basic Plan, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, is hereby accepted and adopted as a document providing comprehensive emergency management planning for all of unincorporated Flathead County.

Dated this 20<sup>th</sup> day of July, 2010.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Joseph D. Brenneman  
Joseph D. Brenneman, Chairman

By/s/Absent  
Dale W. Lauman, Member

By/s/James R. Dupont  
James R. Dupont, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Note: A copy of Exhibit "A" the Basic Plan is available for viewing at the Clerk & Recorder's Office.

**MEETING W/ RAEANN CAMPBELL/ HUMAN RESOURCE OFFICE RE: MACo JPIA RENEWAL & DEDUCTIBLES**

11:00:16 AM

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, H. R. Director Raeann Campbell, Finance Comptroller Joe Garza, Kim Thomas, Brad Salonen, Clerk Kile

Discussion was held relative to options available to the county in increasing deductible amounts in general liability, law enforcement and errors & omissions. Flathead County currently has a \$2,000 deductible for general liability, \$3,000 for errors & omissions and \$5,000 for law enforcement. Options were discussed in regards to current claims and potential premium savings.

Commissioner Dupont made a **motion** to adopt the proposed changes to deductibles with general liability \$25,000.00 errors & omissions and law enforcement at \$10,000.00. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

**MEETING W/ DAVE POLANSKY/ EAGLE TRANSIT RE: MCDONALD'S & CENTURY 21 BUS WRAPS**

11:15:50 AM

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Eagle Transit Director Dave Polansky, Greg Chandler, Clerk Kile

Polansky met with the commission and presented the proposed McDonalds and Century 21 bus wraps for review.

Following discussion the commission approved the bus wraps.



TUESDAY, JULY 20, 2010  
(Continued)

**DOCUMENT FOR SIGNATURE: APPLICATION FOR APPROVAL OF FIRING RANGE/ ST. MARIE**

[11:16:59 AM](#)

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Clerk Kile

Commissioner Dupont made a motion to approve the firing range application. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

**MEETING W/ DEBBIE PIERSON/ GRANT WRITER RE: PUBLIC COMMENT ON HERRON PARK TRAIL PROJECT**

[11:17:45 AM](#)

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Grant Writer Debbie Pierson, Clerk Kile

Chairman Brenneman noted for the record Notice of Public Comment was published on May 26, 2010 allowing a 30 day public comment period on the Foy's to Blacktail Trail/ Herron Park Project and no public or oral comment was received for the trail project.

**DOCUMENT FOR SIGNATURE: CONTRACT AMENDMENT/ ROAD DEPT. SEWER HOOK-UP (EAGLE TRANSIT)**

[11:19:14 AM](#)

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Clerk Kile

Pence explained the contract amendment is for the Road Department to tie into the sewer main.

Commissioner Dupont made a **motion** to authorize the chair to sign the amendment to the contract. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

**AUTHORIZATION TO PUBLISH NOTICE OF PUBLIC HEARING: STRICKLAND, ENDRESEN & FRASER ZONE CHANGE/ WEST SIDE ZONING DISTRICT**

[11:20:23 AM](#)

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Planner Andrew Hagemeyer, Clerk Kile

Hagemeyer explained this was previously approved by the Commission and due to breakdown in communications in order to meet statute requirements of posting the property for 45 days it constitutes changing the public hearing date previously set.

Commissioner Dupont made a **motion** to approve the publication of the Notice of Public Hearing and authorized the chair to sign. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

NOTICE OF PUBLIC HEARING  
WEST SIDE ZONING DISTRICT

The Board of Commissioners of Flathead County, Montana, hereby gives notice pursuant to Section 76-2-205(1), M.C.A., that it will hold a public hearing to consider a request by Jon & Lorie Endresen, Frank & Michelle Strickland and Michael & Katherine Fraser to change the zoning designation in a portion of the West Side Zoning District from SAG-10 (Suburban Agricultural) to SAG-5 (Suburban Agricultural).

The boundaries of the area proposed to be amended from SAG-10 to SAG-5 are set forth on Exhibit "A" hereto containing approximately 45.52 acres and located west of Kalispell off Three Mile Drive on Eastview Drive.

The proposed change would change the character of the zoning regulations applicable to the property which, in both SAG-10 and SAG-5 districts, are intended to protect and preserve agricultural land for the performance of limited agricultural functions and to provide a buffer between urban and unlimited agricultural uses, encouraging concentration of such uses in areas where potential friction of uses will be minimized, and providing for estate type residential development, by reducing the minimum lot size from 10 acres to five acres.

**TUESDAY, JULY 20, 2010  
(Continued)**

The regulations defining the SAG-10 and SAG-5 Zones are contained in the Flathead County Zoning Regulations, on file for public inspection at the Office of the Clerk and Recorder, Courthouse, 800 South Main, Kalispell, Montana, at the Flathead County Planning and Zoning Office, 1035 1st Avenue West, Kalispell, Montana, and on the Flathead County Planning and Zoning Office's website, at: [http://flathead.mt.gov/planning\\_zoning/downloads.php](http://flathead.mt.gov/planning_zoning/downloads.php). Documents related to the proposed zone change are also on file for public inspection at the Office of the Clerk and Recorder and the Flathead County Planning and Zoning Office.

The public hearing will be held on the **9<sup>th</sup> day of September, 2010, at 9:30 o'clock a.m.**, in the Office of the Board of Commissioners of Flathead County, Courthouse, West Annex, Kalispell, Montana. At the public hearing, the Board of Commissioners will give the public an opportunity to be heard regarding the proposed change in the regulations for the described portion of the West Side Zoning District.

DATED this 20<sup>th</sup> day of July, 2010.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Joseph D. Brenneman  
Joseph D. Brenneman, Chairman

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Publish on August 26 and September 2, 2010.

**EXHIBIT "A"**

Tract 1: (*Assessor's Tract 4; 207 Eastview Dr. Jon & Lorie Endresen*) Parcel 2 of Certificate of Survey No. 12128, located in the Northeast Quarter of the Northwest Quarter of Section 10, Township 28 North, Range 22 West, P.M.M., Flathead County, Montana.

Tract 2: (*Assessor's Tract 4E; 219 Eastview Dr. Frank & Michelle Strickland Trust*) Parcel 3 of Certificate of Survey No. 12128, located in the East Half of the Northwest Quarter of Section 10, Township 28 North, Range 22 West, P.M.M., Flathead County, Montana.

Tract 3: (*Assessor's Tract 4BF; Frank & Michelle Strickland Trust; Michael & Katherine Fraser*) Parcel 2 of Certificate of Survey No. 11199, located in the Southeast Quarter of the Northwest Quarter of Section 10, Township 28 North, Range 22 West, P.M.M., Flathead County, Montana.

Tract 4: (*Assessor's Tract 4BFA; Michael & Katherine Fraser*) Parcel 3 of Certificate of Survey No. 11199, located in the Southeast Quarter of the Northwest Quarter of Section 10, Township 28 North, Range 22 West, P.M.M., Flathead County, Montana.

**MEETING W/ MIKE MEEHAN, SHERIFF RE: VISION NET**

11:28:19 AM

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Sheriff Mike Meehan, FC Detention Commander Kathy Frame, Clerk Kile

Kathy Frame reported on changes made by the state in regards to providing services for audio video conferencing for misdemeanor city court initial appearances and psychiatric services for the jail. She reviewed her concern with the state being somewhat of a closed network and potential bridging fees for those outside their network. Frame stated Vision Net is a private company providing the service now and they are willing to provide five hours of bridging per month at no additional charge.

Following discussion the Commission agreed to move forward with requesting a quote from the state if they were to provide the service and to send the Vision Net contract to the County Attorney's Office for review.

**MEETING W/ VICKI SAXBY RE: PERSONNEL MATTER**

11:45:20 AM

Members present:

Chairman Joseph D. Brenneman  
Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, I.T. Director Vicki Saxby, Clerk Kile

Discussion was held relative to contract renewal.

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 21, 2010.

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## WEDNESDAY, JULY 21, 2010

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Brenneman, Commissioners Lauman and Dupont, and Clerk Robinson were present.

**Chairman Brenneman opened public comment on matters within the Commissions' Jurisdiction, no one present to speak, Chairman Brenneman closed the public comment period.**

### DOCUMENT FOR SIGNATURE: GREEN ACRES CDBG PROJECT

10:03:17 AM

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Grant Writer Debbie Pierson, John Sinrud, George Everett, Patti Everett, Mary Lou

Affleck, Joan Norris, Clerk Kile

Debbie Pierson explained documents related to the Green Acres CDBG grant which was turned over to Neighbor Works need signed by the county since Flathead County originally applied for the grant. She noted management has since been turned over to Neighbor Works.

Mary Lou Affleck, Neighbor Works said the approval process has already been done and now documents need signed.

Debbie Pierson noted the funds are technically with Neighbor Works already.

Commissioner Dupont made a **motion** to approve Resolution 2265. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

### RESOLUTION NO. 2265 EXHIBIT 4-A BUDGETARY AUTHORITY RESOLUTION

WHEREAS, the County of Flathead has received CDBG Program Income funds in the amount of \$192,835.78, for which no provision was made in fiscal 2010 County budget; and

WHEREAS, the County of Flathead may appropriate federal or state money received during the fiscal year by formal resolution,

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners hereby appropriates the sum of \$ 190,000.00 and directs the County Clerk and Recorder to allocate said amount to the following program activities:

<u>EXPENDITURE CODE</u> (LIST)	<u>ADMINISTRATION COST</u>	<u>ACTIVITY COSTS</u>
		\$113,999.47
<u>470220-75x</u>		<u>\$ 76,000.53</u>
<u>470220-75x</u>		
<b>TOTALS</b>	<b>\$0</b>	<b>\$190,000.00</b>

BE IT FURTHER RESOLVED that the above appropriation shall become effective on July 21, 2010.

DATED this 21<sup>st</sup> day of July, 2010.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Joseph D. Brenneman  
Joseph D. Brenneman, Chairman

By/s/Absent  
Dale W. Lauman, Member

By/s/James R. Dupont  
James R. Dupont, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

WEDNESDAY, JULY 21, 2010  
(Continued)

Mary Lou Affleck then explained the next resolution would certify a designated Environmental Official responsible for the activities associated with the environmental review process to be completed in conjunction with the CDBG program.

Commissioner Dupont made a **motion** to adopt Resolution 2266. Chairman Brenneman **seconded** the motion. **Aye -** Brenneman and Dupont. Motion carried by quorum.

**RESOLUTION NO. 2266**

**EXHIBIT 2-A.2**

**Resolution for Designating Environmental Certifying Official**

WHEREAS, in 2010 Flathead County has Program Income funds available from previous CDBG contracts for affordable housing projects and hereby authorizes funds to assist in the acquisition of a 32 unit affordable housing project by Green Acres Cooperative, Inc.;

WHEREAS, all necessary funding has been received to permit the project to go forward; and;

WHEREAS, an Environmental Certifying Official may be designated by formal resolution.

NOW, THEREFORE, BE IT RESOLVED that Jeff Harris, Planning & Zoning Director is designated as the Environmental Certifying Official to produce an Environmental Review Record; Flathead County will ensure that it and all of its contractors or agents shall conduct all program matters in a non-discriminatory manner such that all persons regardless of race, gender, age, disability, or other protected class shall be treated equally and further each shall comply with the policies and procedures delineated in the Flathead County's Management Plan, approved by the Montana Department of Commerce Community Development Block Grant Program.

BE IT FURTHER RESOLVED that the above designation shall become effective on July 21, 2010.

DATED this 21<sup>st</sup> day of July, 2010.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Joseph D. Brenneman  
Joseph D. Brenneman, Chairman

By/s/Absent  
Dale W. Lauman, Member

By/s/James R. Dupont  
James R. Dupont, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

**Amendment: Number 1**  
**Program Income Plan**  
**Flathead County – 2000 CDBG**

This Program Income Plan Amendment Number 1 amends the original Program Income Plan for the Flathead County 2000 CDBG funds. The original agreement specifically addresses that Program Income would be used to provide assistance to future low and very low-income homebuyers.

Amendment Number 1 modifies and expands the use of program income to include assistance to Green Acres Cooperative, Inc. – a manufactured home park located in Flathead County. Assistance will be for the sole purpose to assist in the acquisition costs of the community by the residents. This resident-owned community serves low and very low-income households and meets the criteria specified in the CDBG grant program.

As the initial grant recipient, Flathead County, we hereby amend this Program Income Agreement.

Joseph D. Brenneman  
Flathead County Commissioner  
Date of Signature: 7-21-10

James R. Dupont  
Flathead County Commissioner  
Date of Signature: 7-21-10



\_\_\_\_\_  
Flathead County Commissioner  
Date of Signature: \_\_\_\_\_

Attested: Diana Kile



**WEDNESDAY, JULY 21, 2010  
(Continued)**

Mary Lou Affleck explained the following amendment to the Program Income Plan and amendment to the Program Income Agreement between Flathead, Glacier, Lincoln and Sanders County.

Commissioner Dupont made a **motion** to approve the amendment to the Program Income Plan and Program Income Agreement. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

Mary Lou Affleck then explained the Uniform Relocation Act in which an offer of more than appraised value cannot be made because of federal funding and the seller cannot ask for less of the value; it is all based on fair market value.

**STATEMENT OF THE BASIS OF DETERMINATION OF JUST COMPENSATION**

**DESCRIPTION AND LOCATION OF PROPERTY**

The Green Acres Cooperative, Inc. located in Flathead County proposes to purchase land and improvements at 1721 South Woodland Drive, Lots 21 and 22 of Greenacres subdivision, Flathead County, Kalispell, MT 59901 from owner George G. Everett and Patti J. Everett at 1344 Helena Flats Rd, Kalispell, MT 59901. It is a 32 unit mobile home park which conforms to zoning, present use, surrounding land use, and area trends..

**PURPOSE OF PURCHASE**

The Green Acres Cooperative, Inc. intends to use the parcel for acquisition and preservation of affordable housing.

**IMPROVEMENTS**

This proposal includes the acquisition of an existing 32 unit mobile home park known as Green Acres Mobile Home Court. The park includes infrastructure consisting of individual water system and septic systems.

**DECLARATION OF OFFER**

Based on the appraisal, the Green Acres Cooperative through Flathead County Program Income funds hereby makes you an offer in the amount of \$900,000 for the purchase of your property. This offer is for the fair market value of your property. This offer does not include any consideration of decrease or increase in value contributed to the project for which it is being acquired. It reflects no relocation payments which the owner/tenant may be entitled to receive under provisions of the *Uniform Relocation and Real Property Acquisition Policies Act of 1970*.

Chairman Brenneman made a **motion** to authorize Grant Writer Debbie Pierson to sign the document. Commissioner Dupont **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

WEDNESDAY, JULY 21, 2010  
(Continued)

EXHIBIT 7-G

WRITTEN OFFER TO PURCHASE

July 19, 2010

George G. Everett  
Patti J. Everett  
1344 Helena Flats Rd  
Kalispell, MT 59901

Dear George and Patti,

This letter serves as a written offer to purchase property at 1721 South Woodland Drive, Lots 21 and 22 of Greenacres subdivision, Flathead County, Kalispell, MT 59901 which our records indicate is owned by George G. Everett and Patti J. Everett. This property is required for the acquisition and purchase by Green Acres Cooperative, Inc.

We have had the property appraised by a competent and unbiased fee appraiser and this report has been thoroughly analyzed by a certified review appraiser and found to be well supported. Based on the appraisal and review, the Green Acres Cooperative, Inc. through Flathead County CDBG Program Income funds, hereby makes you a firm offer in the amount of \$900,000 for the purchase of your property.

We feel that the above offer is most equitable and we urge your favorable consideration and acceptance of it. If this meets with your approval, the CDBG Project Manager Debbie Pierson has prepared an Act of Sale and will assist in any way convenient to you in finalizing the acquisition. Negotiations for the purchase of your property have taken place.

In addition to the offered purchase price, the CDBG office will also reimburse you for any incidental costs associated with the transfer of the property. If you feel that the CDBG office has not examined all the relevant information needed to determine just compensation for your property, please contact the Flathead County Grant Support Specialist Debbie Pierson at (406) 758-5861, who will be more than willing to review the material.

Thank you very much for your cooperation and favorable consideration of this offer.

Sincerely,

  
Chairperson, County Commission)  
Flathead County

Enclosure: Statement of the Basis for the Determination of Just Compensation



WEDNESDAY, JULY 21, 2010  
(Continued)

EXHIBIT 7-B

VOLUNTARY AGREEMENT  
BETWEEN GRANTEE AND INDIVIDUAL SELLER  
(used in the case of voluntary acquisition of property)

I/We, the undersigned, Loren G. Everett and Patti J. Everett, owner(s) of the following property: 1721 South Woodland Drive, Lots 21 and 22 of Greenacres subdivision, Flathead County, Kalispell, MT 59901, do hereby voluntarily offer the said property for sale to the Green Acres Cooperative, Inc. to be used for acquisition of a 32 unit mobile home park, in consideration for the amount of \$900,000.

Flathead County has notified me/us that Flathead County waives its right of condemnation by eminent domain, and therefore will not acquire the property if negotiations fail to result in an amicable agreement; and I/we have received a copy of the Housing and Urban Development (HUD) pamphlet, *When a Public Agency Acquires Your Property*. I/We have read this pamphlet and understand it. I/we understand that we have the right to consult an attorney and have had the opportunity to do so.

I/We have discussed with a representative of Flathead County the compensation and other assistance required under the Act. I/We understand the I/we cannot be required to sell the Green Acres Court to the Green Acres Cooperative, Inc. for less than the appraised Fair Market Value, and without other assistance to which I/we may be entitled to under the Act.

Date: July 21, 2010

Signature of CDBG Grant Administrator:

*Alma J. Pearson*

Signature of Seller(s):

*Patti Everett*  
*Loren G. Everett*

STATE OF MONTANA )

County of Flathead )ss.

This instrument was acknowledged before me on July 21, 2010  
by Diana Kile

(NOTARIAL SEAL)



DIANA KILE  
NOTARY PUBLIC-MONTANA  
Residing at Columbia Falls, Montana  
My Comm. Expires August 27, 2012

Printed Name: Diana Kile  
NOTARY PUBLIC FOR STATE OF MONTANA  
Residing at Columbia Falls  
My Commission expires August 27, 2012

EXHIBIT 7-D

PRELIMINARY ACQUISITION NOTICE

July 19, 2010

George G. Everett  
Patti J. Everett  
1344 Helena Flats Rd  
Kalispell, MT 59901

Dear George and Patti:

This is to inform you that Green Acres Cooperative, Inc. with funds from Flathead County CDBG Program Income is interested in acquiring your property at 1721 South Woodland Drive, Lots 21 and 22 of Greenacres subdivision located in Flathead County, Kalispell, MT to be used for the acquisition of a 32 unit mobile home park.

A brochure describing your rights for acquiring property is enclosed for your information. If you have any questions, please contact Neighborworks MT acquisition/relocation specialist Sheila Rice at (406) 868-7933.

The first mortgage lender, ROC USA, will be hiring an independent appraiser to appraise your property. You have the right to accompany him or her on the property inspection if you wish to do so. A letter inviting you to accompany him or her will be sent by the appraiser at least five days prior to the visit. This notice is not a notice to vacate and it does not establish eligibility for relocation payments or other relocation assistance.

Sincerely,

*Alma J. Pearson*  
CDBG Administrator

800 South Main Street  
Kalispell, MT 59901  
Phone: (406) 758-2467

WEDNESDAY, JULY 21, 2010  
(Continued)

**MEETING W/ DAVE PRUNTY RE: PERSONNEL MATTER**

10:31:45 AM

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Public Works Director Dave Prunty, Clerk Kile

Discussion was held relative to contract renewal.

**CONSIDERATION OF ADOPTION OF RESOLUTION: ISSUING BONDS/ RSID #149 (SWAN HORSESHOE DRIVE)**

10:45:34 AM

Members present:

Chairman Joseph D. Brenneman

Commissioner James R. Dupont

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy County Attorney Tara Fugina, Clerk Kile

Tara Fugina noted bonds were awarded to Bitterroot Valley Bank on July 20, 2010 in the amount of \$368,000.00 over 20 years at the interest rate of 5.2 percent per annum at par.

Commissioner Dupont made a **motion** to approve Resolution 2248D. Chairman Brenneman **seconded** the motion. **Aye** - Brenneman and Dupont. Motion carried by quorum.

RESOLUTION NO. 2248 D

RESOLUTION RELATING TO \$368,000.00 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS  
(RURAL SPECIAL IMPROVEMENT DISTRICT NO. 149); FIXING THE FORM AND DETAILS AND  
PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR

BE IT RESOLVED by the Board of County Commissioners (the "Board") of Flathead County, Montana (the "County"), as follows:

Section 1. Recitals. It is hereby found, determined and declared as follows:

1.01. Resolution of Intention. This Board adopted Resolution No. 2248 (the "Resolution of Intention"), pursuant to which it declared its intention to create a rural special improvement district, designated as Rural Special Improvement District No. 149 of the County (the "District"), under Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"), for the purpose of financing a portion of the costs of certain improvements described therein (the "Improvements") and paying costs incidental thereto, including costs associated with the sale and the security of rural special improvement district bonds drawn on the District (the "Bonds"), the creation and administration of the District, and the funding of a deposit to the County's Rural Special Improvement District Revolving Fund (the "Revolving Fund").

1.02. Creation of District. After published notice and a public hearing on Resolution No. 2248, and finding it in the best interest of the County, the Board determined to create Rural Special Improvement District No. 149 (the "District") by the adoption of Resolution No. 2248 A, and order the Improvements on the terms and conditions thereafter prescribed, for the purpose of financing costs of the Improvements and paying costs incidental thereto, including costs associated with the sale and the security of rural special improvement district bonds of the County drawn on the District (the "Bonds"), the creation and administration of the District, and the funding of a deposit to the County's Rural Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, to be financed by the Bonds are \$368,000.00. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefitted by the Improvements in an amount not less than \$368,000.00.

1.03. Construction Contract. Plans, specifications, maps, profiles and surveys for construction of the Improvements were prepared by the engineers acting for the County, and were thereupon examined and approved by this Board. Advertisements for bids for construction of the Improvements to the District were published in the official newspapers of the County in accordance with the provisions of Montana Code Annotated, Section 7-12-2132, after which the bids theretofore received were opened and examined. After referring the bids to the engineers for the County it was determined that the lowest regular proposals for the furnishing of all work and materials required for constructing the Improvements to the District in accordance with the approved plans and specifications were the following:

<u>Work</u>	<u>Bidder</u>	<u>RSID Cost</u>
Pavement on top of a gravel sub-base chip seal prime coat on approximately 110,427 square feet of Swan Horseshoe Road	LHC, Inc.	\$368,000.00

A Contract for the construction of the Improvements to District will be awarded to said bidder, and upon the issuance of the Bonds, the County and the successful bidder will enter into a written contract for construction of the Improvements to the District upon the bidders having executed and filed bonds satisfactory to this Board and in the form and manner provided by Montana Code Annotated, Title 18, Chapter 2, Part 2.



**WEDNESDAY, JULY 21, 2010  
(Continued)**

1.04. Costs. It is currently estimated that the costs and expenses connected with and incidental to the formation of the District to the County to be assessed against properties in the District, including costs of preparation of plans, specifications, maps, profiles, engineering superintendence and inspection, preparation of assessment rolls, expenses of making the assessments, the cost of work and materials and all other costs and expenses, including the deposit of proceeds in the Revolving Fund are \$368,000.00. Such amount will be levied and assessed upon the assessable property within the District on the basis described in the Resolution of Intention. This Board has jurisdiction and is required by law to levy and assess such amounts, to collect such special assessments and credit the same to the rural special improvement district account created for the District, which account is to be maintained on the official books and records of the County separate from all other County funds, within the Rural Special Improvement District No. 149 Sinking Fund (the "Sinking Fund") for the payment of principal and interest when due on the bonds herein authorized.

1.05. Sale and Issuance of Bonds. For the purpose of financing the costs and expenses of making the Improvements, which are to be assessed against the property within the District as provided in the Resolution of Intention, pursuant to Resolution No. 2248 B, adopted July 1, 2010, this Board determined that the issuance and sale of bonds was in the best interests of the County and the District.

Advertisements for bids for the purchase of the Bonds were published in accordance with the provisions of Montana Code Annotated, Sections 7-12-2172, 7-7-4252 and 17-5-106. Pursuant to Resolution No. 2248 C, adopted on July 20, 2010, this Board authorized the County to enter into a contract with Bitterroot Valley Bank, of Lolo, Montana (the "Purchaser"), as the lowest responsible bidder pursuant to which the Purchaser agreed to purchase from the County the Bonds at a purchase price of \$368,000.00, at the rate of interest of 5.20% per annum.

1.07. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, in order to make the Bonds valid and binding special obligations in accordance with their terms and in accordance with the terms of this resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

**Section 2. The Bonds.**

2.01. Principal Amount, Maturities, Denominations, Date, Interest Rates. For the purpose of paying the costs and expenses incurred in construction of the Improvements, and in anticipation of the collection of special assessments to be levied therefor, and in accordance with the proposal described in Section 1.06, the County shall forthwith issue and deliver to the Purchaser the Bonds payable solely from the Sinking Fund and denominated "Rural Special Improvement District Bonds (Rural Special Improvement District No. 149)." The Bonds shall be dated, as originally issued and be registered as of July 21, 2010, shall each be in the denomination of \$19,000.00, or \$7,000.00, shall mature on July 1 in the years and principal amounts set forth below, and Bonds maturing in such years and principal amounts shall bear interest from the date of original issuance until paid or duly called for redemption at the rate of 5.20% per annum:

Year	Amount	Year	Amount
2011	\$19,000	2021	\$19,000
2012	19,000	2022	19,000
2013	19,000	2023	19,000
2014	19,000	2024	19,000
2015	19,000	2025	19,000
2016	19,000	2026	19,000
2017	19,000	2027	19,000
2018	19,000	2028	19,000
2019	19,000	2029	19,000
2020	19,000	2030	7,000

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.02. Interest Payment Dates. Interest on the Bonds shall be payable on each January 1 and July 1, commencing January 1, 2011, to the owners of record thereof as such appear on the bond registrar at the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Upon the original delivery of the Bonds to the Purchaser and upon each subsequent transfer or exchange of a Bond pursuant to Section 2.04, the Registrar shall date each Bond as of the date of its authentication.

2.03. Method of Payment. The Bonds shall be issued in certificate form. The interest on and, upon surrender thereof at the operations center of the Registrar (as hereinafter defined), the principal of each Bond, shall be payable by check or draft drawn on the Registrar.

2.04. Registration. The County hereby appoints the Clerk and Recorder to act as registrar, transfer agent and paying agent (the "Registrar"). The County reserves the right to appoint a bank, trust company or financial institution as successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended (the "Registration Act"), but the County agrees to pay the reasonable and customary charges of the Registrar for the services performed. This Section 2.04 shall establish a system of registration for the Bonds as defined in the Registration Act.

The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of the Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged.

(b) Transfer. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or portion thereof selected or called for redemption. No transfer or exchange of a Bond shall affect its order of registration for purposes of redemption pursuant to Section 2.05.

**WEDNESDAY, JULY 21, 2010**  
**(Continued)**

(c) Exchange. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney duly authorized in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the County.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The County and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer of Bonds or exchange of Bonds (except an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the County and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the County. If the mutilated, destroyed, stolen or lost Bond has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

**2.05. Redemption.**

(a) Mandatory Redemption. If on any interest payment date there will be a balance in the Sinking Fund after payment of the principal and interest due on all Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Subaccounts to the Principal Subaccounts as provided in Section 3.02 or otherwise, the County Clerk and Recorder shall call for redemption on the interest payment date outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the Sinking Fund on that date. The redemption price shall equal the amount of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

(b) Optional Redemption. The Bonds are subject to redemption, in whole or in part, at the option of the County from sources of funds available therefor other than those described under Section 2.05(a) on the terms of this paragraph. The Bonds with stated maturities on or after July 1, 2015, will be subject to redemption on July 1, 2014, and any date thereafter, at the option of the County, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

(c) Selection of Bonds for Redemption; Partial Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the stated maturities thereof. If less than all Bonds of a stated maturity are to be redeemed, the Bonds of such maturity shall be selected for redemption in \$19,000.00 principal amounts (except that one bond maturing in 2030 will be in the principal amount of \$7,000.00) selected by the Registrar by lot or other manner it deems fair. Upon partial redemption of a Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount thereof outstanding.

(d) Notice and Effect of Redemption. The date of redemption and the principal amount of the Bonds shall be fixed by the County Treasurer, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses appearing in the bond register, of the numbers of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall be not less than thirty (30) days after the date of mailing notice. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease.

(e) Notification to the Paying Agent. Upon request by the County under the above sections 2.05(a) and 2.05(b), the Registrar shall give notice of redemption as directed provided that the County has given the Registrar such request at least 45 days prior to the redemption date.

**2.06. Form.** The Bonds shall be drawn in substantially the form set forth in Exhibit A hereto, and by this reference made a part hereof, with such modifications as are permitted by the Act.

**WEDNESDAY, JULY 21, 2010**  
**(Continued)**

2.07. Execution, Registration and Delivery. The Bonds shall be prepared under the direction of the County Clerk and Recorder and shall be executed on behalf of the County by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer and sealed with the official seal of the County; provided that the signatures and the corporate seal may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. The Bonds shall be registered in order of their serial numbers by the Registrar, as attested by the Certificate of Authentication, as of the date of delivery of the Bonds. When the Bonds have been so executed, authenticated and registered, they shall be delivered by the Registrar to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed. The Purchaser shall not be obligated to see to the application of the purchase price, but from the proceeds of the Bonds the County Clerk and Recorder shall credit forthwith \$16,725.00 to the Revolving Fund, as required by Section 7-12-4169(2) of the Act; and the balance of such proceeds to the Construction Subaccount in the District Account, to be used solely for the purposes described in Section 3.02.

2.08. Issuance of the Bonds.

(a) The Bonds shall be initially issued in certificate form, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond register in the name of Bitterroot Valley Bank, of Lolo, Montana. The Registrar and the County may treat Bitterroot Valley Bank, of Lolo, Montana as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. Neither the Registrar nor the County shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through any Participant, or any other Person which is not shown on the Bond register as being a registered owner of any Bonds, with respect to the payment of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken the Registrar of the Bonds. So long as any Bond is registered in the name of Bitterroot Valley Bank, of Lolo, Montana, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Bitterroot Valley Bank, of Lolo, Montana, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than Bitterroot Valley Bank, of Lolo, Montana shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest.

In the event that any transfer or exchange of Bonds is permitted under paragraph 2.04 (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution.

Section 3. Sinking Fund; Assessments.

3.01. Sinking Fund. There is hereby created and established the Sinking Fund designated as the "Rural Special Improvement District Sinking Fund" which shall be maintained by the County Clerk and Recorder on the books and records of the County separate and apart from all other funds of the County. Within the Sinking Fund there shall be maintained separate accounts for the District, designated accordingly (collectively, the "District Account"). Within the District Account there shall be maintained three separate subaccounts, designated as the "Construction Subaccount," "Principal Subaccount," "Interest Subaccount."

3.02. Construction Subaccount. There shall be credited to the Construction Subaccount in the District Account the proceeds of the sale of the Bonds as provided in Section 2.07. Any earnings on investment of money in a Construction Subaccount shall be retained therein. All costs and expenses of constructing the Improvements to be paid from proceeds of the Bonds in and for the benefit of a District shall be paid from time to time as incurred and allowed from the Construction Subaccount in the respective District Account in accordance with the provisions of applicable law, and money in the Construction Subaccount shall be used for no other purpose, except payment of costs of issuance and administration of the District; provided that upon completion of the Improvements in or for the benefit of a District and after all claims and expenses with respect to such Improvements and costs of issuance and District administration have been fully paid and satisfied, any money remaining in said Construction Subaccount shall be transferred to the Principal Subaccount and used to redeem Bonds as provided in Section 3.03.

3.03. Principal Subaccounts and Interest Subaccounts. Money in the Principal Subaccount and the Interest Subaccount shall be used only for payment of the principal of and interest on the Bonds as such payments become due or to redeem Bonds. From the proceeds of the Bonds, there shall be deposited in the Interest Subaccount any interest on the Bonds accrued to the date of their delivery, pro rata, in proportion to the principal amount of Bonds issued for such District as set forth in Section 1.06.

Upon collection of the installment of principal and interest due on November 30 and May 31 of each fiscal year on the special assessments to be levied with respect to the Improvements in the District, the County Clerk and Recorder shall credit to the Interest Subaccount in the respective District Account so much of said special assessments as is collected as interest payment and the balance thereof to the respective Principal Subaccount. Any installment of any special assessment paid prior to its due date with interest accrued thereon to the next succeeding interest payment date shall be credited with respect to principal and interest payments in the same manner as other assessments are credited to the District Accounts. All money in the Interest Subaccount and the Principal Subaccount shall be used first to pay interest due, and any remaining money shall be used to pay Bonds then due and, if money is available, to redeem Bonds in accordance with Section 2.05; provided that any money transferred to a Principal Subaccount from the Construction Subaccount pursuant to Section 3.02 shall be applied to redeem Bonds to the extent possible on the next interest payment date for which notice of redemption may properly be given pursuant to Section 2.05. Redemption of Bonds shall be as provided in Section 2.05, and interest shall be paid as accrued thereon to the date of redemption, in accordance with the provisions of Section 7-12-2 174 of the Act.

**WEDNESDAY, JULY 21, 2010**  
**(Continued)**

3.04. Loans from Revolving Fund. The Board shall annually or more often if necessary issue an order authorizing a loan or advance from the Rural Special Improvement District Revolving Fund of the County (the "Revolving Fund") to the District Account in an amount sufficient to make good any deficiency then existing in the Interest Subaccount, and shall issue an order authorizing a loan or advance from the Revolving Fund to the District Account in an amount sufficient to make good any deficiency then existing in the Principal Subaccount, in such order and in each case to the extent that money is available in the Revolving Fund. A deficiency shall be deemed to exist in a Principal Subaccount or an Interest Subaccount in a District Account if the money on deposit therein on any June 15 or December 15 (excluding amounts in the Principal Subaccount representing prepaid special assessments) is less than the amount necessary to pay Bonds due (other than upon redemption), and interest on all Bonds payable, on the next succeeding interest payment date.

Pursuant to a Resolution adopted on May 11, 1984, the County has undertaken and agreed to provide funds for the Revolving Fund by levying such tax or making such loan from the General Fund as authorized by Montana Code Annotated, Section 7-12-2182. In the event that the balance on hand in the Revolving Fund fifteen days prior to any date when interest is due on special improvement district bonds or warrants of the County is not sufficient to make good all deficiencies then existing in the special improvement district funds for which the County has covenanted to make loans from the Revolving Fund, the balance on hand in the Revolving Fund shall be allocated to the funds of the special improvement District in which such deficiencies then exist in proportion to the amounts of the deficiencies on the respective dates of receipt of such money, until all interest accrued on such special improvement district bonds or warrants of the County has been paid. On any date when all accrued interest on special improvement district bonds and warrants of the County payable from funds for which the County has covenanted to make loans from the Revolving Fund has been paid, any balance remaining in the Revolving Fund shall be lent or advanced to the special improvement district funds for payment and redemption of bonds to the extent the special improvement district funds are deficient for such purpose, and, if money in the Revolving Fund is insufficient therefor, pro rata, in an amount proportionate to the amount of such deficiency.

The County hereby determines, covenants and agrees to levy the property tax described in the immediately preceding paragraph to provide funds for the Revolving Fund so long as any Bonds are outstanding to the extent required under the provisions of this Resolution and the Act, even though such property tax levy may, under applicable law, require that property tax levies of the County for other purposes be reduced correspondingly. Thus, while any property tax levy to be made by the County to provide funds for the Revolving Fund is subject to levy limits under current law, the County agrees to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

Section 4. Covenants. The County covenants and agrees with the owners from time to time of each of the Bonds that until all the Bonds and interest thereon are fully paid:

4.01. Compliance with Resolution. The County will hold the Sinking Fund and the Revolving Fund as trust funds, separate and apart from all of its other funds, and the County, its officers and agents, will comply with all covenants and agreements contained in this resolution. The provisions hereinabove made with respect to the Sinking Fund and the Revolving Fund are in accordance with the undertaking and agreement of the County made in connection with the public offering of the Bonds and the sale of the Bonds as set forth in Section 1.06.

4.02. Construction of Improvements. The County will do all acts and things necessary to enforce the provisions of the construction contracts and bonds referred to in Section 1.04 and to ensure the completion of the Improvements for the benefit of the District in accordance with the plans and specifications and within the time therein provided, and will pay all costs thereof promptly as incurred and allowed, out of the District Accounts and within the amount of the proceeds of the Bonds appropriated thereto.

4.03. Levy of Assessments. The County will do all acts and things necessary for the final and valid levy of special assessments upon all assessable real property within the boundaries of the District in accordance with the Constitution and laws of the State of Montana and the Constitution of the United States in an aggregate principal amount not less than \$368,000.00.

Such special assessments shall be levied on the basis or bases prescribed in the Resolution of Intention and, as authorized by Montana Code Annotated, Section 7-12-4190(2), shall be payable in equal semiannual installments of principal and interest. The unpaid installments of the assessments shall bear interest at an annual rate determined each fiscal year equal to the sum of: (i) the average annual interest rate borne by the Bonds, plus (ii) one-half of one percent (0.50%) per annum. The assessments will be payable in installments on the 30th day of November in each of years 2010 through 2029 and on the 31st day of May in the years 2011 through 2030, inclusive, if not theretofore paid, and shall become delinquent on such date unless paid in full. The payment due on any installment date shall be the amount necessary to amortize, over the 20-year term in substantially equal semiannual payments, the principal amount of the assessment, together with interest to accrue thereon over said term at the interest rate thereon; provided that the amount of each such installment shall be adjusted each fiscal year to an amount equal to the amount necessary to amortize fully the then outstanding principal amount of the assessment (excluding any delinquent amounts), plus interest accrued at the interest rate on the assessments then in effect in the number of installments then remaining until July 1, 2030. There shall be added to the first installment payment of each assessment interest on the entire assessment from the date of original registration of the Bonds to January 1, 2011. The assessments shall constitute a lien upon and against the property against which they are made and levied, which lien may be extinguished only by payment of the assessment with all penalties, costs and interest as provided in Montana Code Annotated, Section 7-12-2168. No tax deed issued with respect to any lot or parcel of land shall operate as payment of any installment of the assessment thereon which is payable after the execution of such deed, and any tax deed so issued shall convey title subject only to the lien of said future installments, as provided in Montana Code Annotated, Section 15-18-2 14.

4.04. Reassessment. If at any time and for whatever reason any special assessment or tax herein agreed to be levied is held invalid, the County and this Board, its officers and employees, will take all steps necessary to correct the same and to reassess and re-levy the same, including the ordering of work, with the same force and effect as if made at the time provided by law, ordinance or resolution relating thereto, and will reassess and re-levy the same with the same force and effect as an original levy thereof, as authorized in Montana Code Annotated, Section 7-12-2165. Any special assessment, or reassessment or re-levy shall, so far as is practicable, be levied and collected as it would have been if the first levy had been enforced including the levy and collection of any interest accrued on the first levy.



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If proceeds of the Bonds, including investment income thereon, are applied to the redemption of such Bonds, as provided in Montana Code Annotated, Sections 7-12-2173 and 7-12-2174, or if refunding bonds are issued and the principal amount of the outstanding Bonds of the District is decreased or increased, the County will reduce or increase, respectively, the assessments levied in the respective District and then outstanding pro rata by the principal amount of such prepayment or the increment above or below the outstanding principal amount of bonds represented by the refunding bonds. The County and this Board, its officers and employees will reassess and re-levy such assessments, with the same effect as an original levy, in such reduced or increased amounts in accordance with the provisions of Montana Code Annotated, Sections 7-12-2158 through 7-12-2159.

4.05. Absence of Litigation. There is now no litigation pending or, to the best knowledge of the County, threatened questioning the validity or regularity of the creation of the District, the contracts for construction of the Improvements or the undertaking and agreement of the County to levy special assessments therefor and to make good any deficiency in the collection thereof through the levy of taxes for and the making of advances from the Revolving Fund, or the right and power of the County to issue the Bonds or in any manner questioning the existence of any condition precedent to the exercise of the County's powers in these matters. If any such litigation should be initiated or threatened, the County will forthwith notify in writing the Purchaser, and will furnish the Purchaser a copy of all documents, including pleadings, in connection with such litigation.

4.06. Waiver of Penalty and Interest. The County covenants not to waive the payment of penalty or interest on delinquent assessments levied on property in the District for costs of the Improvements, unless the County determines, by resolution of the Board of County Commissioners, that such waiver is in the best interest of the owners of the outstanding Bonds.

**Section 5. Tax Matters.**

5.01. Use of Improvements. The Improvements will be owned and operated by the County and available for use by members of the general public on a substantially equal basis. The County shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Improvements or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

5.02. General Covenant. The County covenants and agrees with the owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03. Arbitrage Certification. The Chair of the Board, the County Clerk and Recorder and the County Treasurer, being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

5.04. Arbitrage Rebate Exemption.

(a) The County hereby represents that the Bonds qualify for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the County represents that substantially all (not less than 95%) of the proceeds of the Bonds (except for amounts to be applied to the payment of costs of issuance or representing accrued interest) will be used for local governmental activities of the County.

(b) If notwithstanding the provisions of paragraph (a) of this Section 5.04, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the County hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

5.05. Information Reporting. The County shall file with the Secretary of the Treasury, not later than November 15, 2010, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

5.06. "Qualified Tax-Exempt Obligations." Pursuant to Section 265(b)(3)(B)(ii) of the Code, the County hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The County has not designated any obligations in 2010 other than the Bonds under Section 265(b)(3). The County hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including "qualified 501(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the County and all "subordinate entities" of the County in 2010 in an amount greater than \$10,000,000.

Section 6. Authentication of Transcript. The officers of the County are hereby authorized and directed to furnish to the Purchaser and to bond counsel certified copies of all proceedings relating to the issuance of the Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the County to issue the Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the County as to the truth of the statements purported to be shown thereby.

**Section 7. Discharge.**

7.01. General. When the liability of the County on all Bonds issued under and secured by this resolution has been discharged as provided in this Section 7, all pledges, covenants and other rights granted by this resolution to the owners of such obligations shall cease.

**WEDNESDAY, JULY 21, 2010  
(Continued)**

7.02. Payment. The County may discharge its liability with reference to any Bond or installment of interest thereon which is due on any date by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full; or if any Bond or installment of interest thereon shall not be paid when due, the County may nevertheless discharge its liability with reference thereto by depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, by mailing to the registered owner thereof a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full with interest accrued to the date of such deposit or mailing.

7.03. Prepayment. The County may also discharge its obligations with respect to any Bonds called for redemption on any date when they are prepayable according to their terms, by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or a draft in a sum sufficient and providing proceeds available, for the payment of the principal, interest and redemption premium, if any, which are then due; provided that notice of such redemption has been duly given as provided herein or irrevocably provided for.

7.04. Escrow. The County may also at any time discharge its liability in its entirety with reference to the Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal and interest to become due on all Bonds on or before maturity or, if any Bond has been duly called for

redemption or notice of such redemption has been irrevocably provided for, on or before the designated redemption date.

**Section 8. Repeals and Effective Date.**

8.01. Repeal. All provisions of other Resolution and other actions and proceedings of the County and this Board that are in any way inconsistent with the terms and provisions of this resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this resolution.

8.02. Effective Date. This resolution shall take effect immediately upon its passage and adoption by this Board.

PASSED by the Board of County Commissioners of Flathead County, Montana, this 21<sup>st</sup> day of July, 2010.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Joseph D. Brenneman  
Joseph D. Brenneman, Chairman

By/s/Absent  
Dale W. Lauman, Member

By/s/James R. Dupont  
James R. Dupont, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

**CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE**

I, the undersigned, being the duly qualified and acting recording officer of the County of Flathead, Montana (the "County"), hereby certify that the attached resolution is a true copy of Resolution No. 2248D, entitled: "RESOLUTION RELATING TO \$368,000.00 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 149) ; FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREOF" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of County Commissioners of the County at a meeting on July 21, 2010, and that the meeting was duly held by the Board of County Commissioners and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: **Chairman Brenneman & Commissioner Dupont**; voted against the same: \_\_\_\_\_; abstained from voting thereon \_\_\_\_\_; or were absent: **Commissioner Lauman.**

WITNESS my hand officially 21<sup>st</sup> day of July, 2010.



Paula Robinson, Clerk

By/s/Diana Kile  
Deputy

**WEDNESDAY, JULY 21, 2010  
(Continued)**

**8:00 a.m. Commissioner Brenneman: Meeting w/ Swank Enterprises & CTA @ FECC**  
**9:15 a.m. RSVP Board meeting @ Heritage Place**  
**11:00 a.m. County Attorney meeting @ Co. Atty's Office**  
**5:30 p.m. Commissioner Dupont: Whitefish Donut Area meeting @ Central School**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 22, 2010.

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**THURSDAY, JULY 22, 2010**

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Brenneman, Commissioners Lauman and Dupont, and Clerk Robinson were present.

**2:00 p.m. Commissioner Brenneman: Health Board meeting @ Earl Bennett Bldg.**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 23, 2010.

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**FRIDAY, JULY 23, 2010**

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Brenneman, Commissioners Lauman and Dupont, and Clerk Robinson were present.

**NO MEETINGS SCHEDULED**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 26, 2010.

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